

FEBRUARY
2019

ADDENDUM
PROJECTED ECONOMIC/FISCAL
IMPACT OF TAOS AIR FLIERS
[FEBRUARY 11 – MARCH 31, 2019]

PRESENTED TO:
TOWN OF TAOS
400 CAMINO DE LA PLACITA
TAOS, NM 87571

PRESENTED BY:

Southwest Planning & Marketing
RESEARCH | MARKETING | ECONOMIC DEVELOPMENT | PLANNING

P.O. Box 1506
SANTA FE, NM 87504
505.989.8500
SOUTHWESTPLANNING.COM

Introduction

The Taos Air service, a collaborative public/private partnership led by the Town of Taos, began non-stop service from Austin and Dallas, Texas to Taos, New Mexico in December 2018. The goal of the service is to boost the economy and tourism in the study area of the Enchanted Circle communities of Taos, Taos Ski Valley, Angel Fire, Eagle Nest, Questa, and Red River (and their host counties of Colfax and Taos).

The Town of Taos commissioned Southwest Planning & Marketing (SWPM) to determine the economic and fiscal impact of flier spending (for travelers from Texas) in the study area during the study period of December 20, 2018 through February 10, 2019, as well as to do a concurrent marketing survey of all fliers. The survey had forty-seven percent (46.8%) response rate, with a total sample size of 521 survey responses. The overall data for the entire sample is accurate to plus or minus 3.1% at the 95% confidence level. That means that 95% of the time the data for the entire flier population would not vary by more than 3.1% from the result obtained from the sample in the survey.

Following the submittal of the primary report, for which the scope of work was limited to the actual spending and economic/fiscal impact of Taos Air fliers in the study area between December 20, 2018 and February 10, 2019 (the original study period), SWPM was asked to use the data collected to determine the projected economic/fiscal impact of fliers during the remainder of the winter season (February 11 until the end of the season, likely on or about March 31, 2019). SWPM agreed to do so gratis – the results of that analysis are presented in this addendum.

The total number of unique fliers originating in Texas during the remainder of the winter season is projected to be 740.¹ The average travel party size of 3.0 for fliers originating in Texas from the survey results yields a projected 247 flier parties from Texas during the remainder of the winter season.

¹ Source: Taos Air.

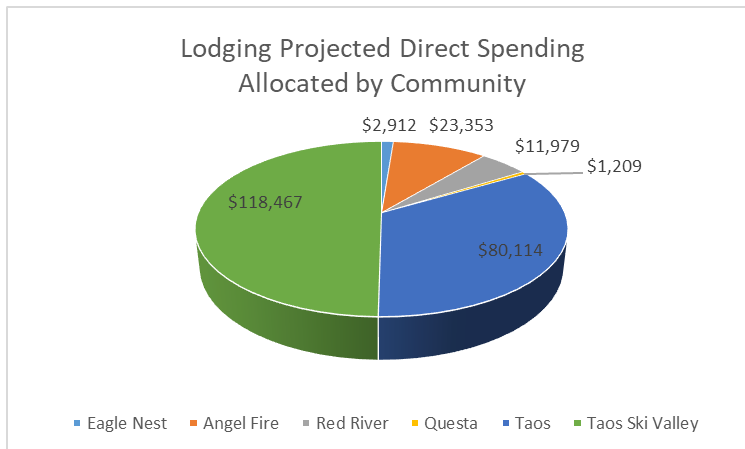


Economic Impact

Respondents with flights originating in Texas during the original study period were asked to estimate their entire party's spending while in New Mexico in six categories: lodging, food/meals/beverages, transportation/fuel, outdoor recreation (including skiing), attractions/entertainment, and shopping/miscellaneous/ other. Based on the responses provided by fliers from the original study period, projected spending by fliers during the remainder of the winter season is \$238,033 for lodging, \$175,627 for food/meals/beverages, \$18,747 for transportation/fuel, \$177,847 for outdoor recreation (including skiing), \$18,253 for attractions/entertainment, and \$60,433 for shopping/miscellaneous/other. Total projected spending by fliers during the remainder of the winter season for all categories combined is \$688,940.

Total Flier Average Projected Direct Spending (Fliers that Originated in Texas)									
Average Party Size	Projected Unique Fliers - Remainder of Winter Season	Number of Flier Parties	Lodging	Food, Meals, Beverages	Transportation, Fuel, Etc.	Outdoor Recreation (includes skiing)	Attractions, Entertainment	Shopping, Misc., Other	Total
3.0	740	247	\$ 965	\$ 712	\$ 76	\$ 721	\$ 74	\$ 245	\$ 2,793
Total Spending			\$ 238,033	\$ 175,627	\$ 18,747	\$ 177,847	\$ 18,253	\$ 60,433	\$ 688,940

The projected allocated spending on lodging per community during the remainder of the winter season is: Taos – \$80,114, Taos Ski Valley – \$118,467, Angel Fire – \$23,353, Eagle Nest – \$2,912, Questa – \$1,209, and Red River – \$11,979.



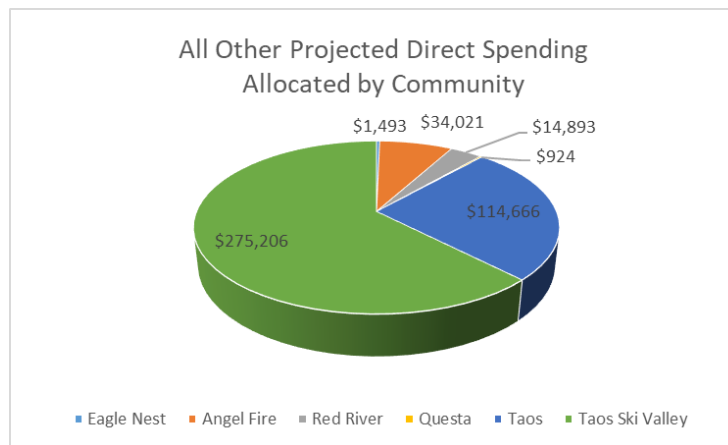
Lodging Projected Direct Spending Allocated by Community			
Community	Average Nights Spent in Community	Nights Spent %	Lodging Allocation
Eagle Nest	0.1	1.2%	\$ 2,912
Angel Fire	0.4	9.8%	\$ 23,353
Red River	0.2	5.0%	\$ 11,979
Questa	0.0	0.5%	\$ 1,209
Taos	1.5	33.7%	\$ 80,114
Taos Ski Valley	2.2	49.8%	\$ 118,467
Total			\$ 238,033



The projected allocated spending on all other spending categories combined per community during the remainder of the winter season is: Taos – \$114,666, Taos Ski Valley – \$275,206, Angel Fire – \$34,021, Eagle Nest – \$1,493, Questa – \$924, and Red River – \$14,893.

All Other Projected Direct Spending Allocated by Community*							
Community	Avg. Time Spent in Community %	Food and Meals Allocation	Transportation Allocation	Outdoor Recreation Allocation	Attractions/ Entertainment Allocation	Shopping/ Miscellaneous/ Other Allocation	Other Spending Allocation
Eagle Nest	0.3%	\$ 581	\$ 62	\$ 589	\$ 60	\$ 200	\$ 1,493
Angel Fire	7.5%	\$ 13,251	\$ 1,414	\$ 13,419	\$ 1,377	\$ 4,560	\$ 34,021
Red River	3.3%	\$ 5,801	\$ 619	\$ 5,874	\$ 603	\$ 1,996	\$ 14,893
Questa	0.2%	\$ 360	\$ 38	\$ 365	\$ 37	\$ 124	\$ 924
Taos	25.4%	\$ 44,662	\$ 4,767	\$ 45,226	\$ 4,642	\$ 15,368	\$ 114,666
Taos Ski Valley	61.0%	\$ 107,192	\$ 11,442	\$ 108,547	\$ 11,141	\$ 36,885	\$ 275,206
Total		\$ 171,847	\$ 18,343	\$ 174,019	\$ 17,861	\$ 59,133	\$ 441,203

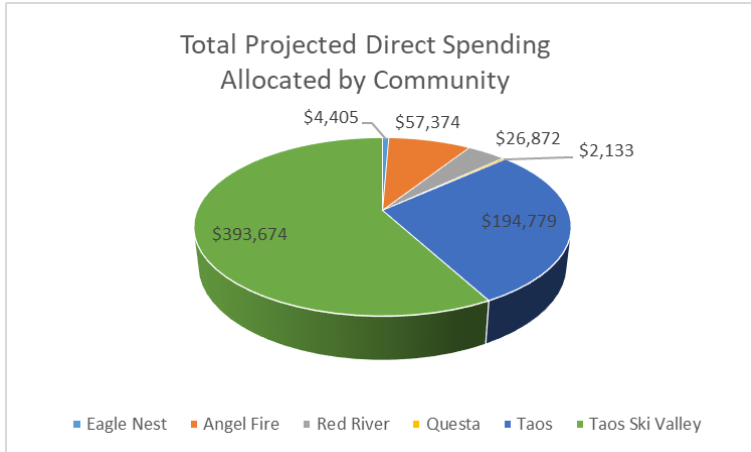
*Note: Fliers are projected to spend an additional \$9,704 in non-study area New Mexico communities not reflected in the totals above.





The projected total combined allocated direct spending (lodging plus all other spending) per community during the remainder of the winter season is: Taos – \$194,779, Taos Ski Valley – \$393,674, Angel Fire – \$57,374, Eagle Nest – \$4,405, Questa – \$2,133, and Red River – \$26,872.

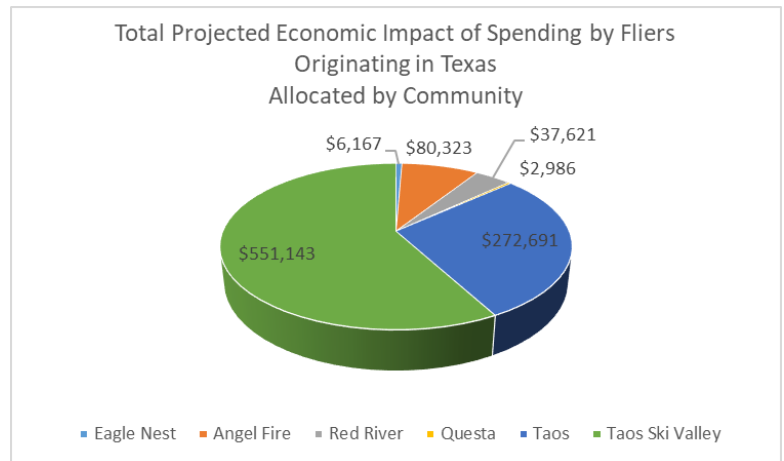
Total Projected Direct Spending Allocated by Community*	
Community	Total Direct Spending
Eagle Nest	\$ 4,405
Angel Fire	\$ 57,374
Red River	\$ 26,872
Questa	\$ 2,133
Taos	\$ 194,779
Taos Ski Valley	\$ 393,674
Total	\$ 679,236



*Note: Respondents spent an additional \$9,704 in non-study area New Mexico communities not reflected in the totals above.

Multiplying projected total direct spending by the projected induced/indirect impact of spending (1.4)² yields **total projected economic impact** of spending during the remainder of the winter season in the study area of **\$950,931**. **Projected allocated total economic impact of spending per community** during the remainder of the winter season is: **Taos – \$272,691, Taos Ski Valley – \$551,143, Angel Fire – \$80,323, Eagle Nest – \$6,167, Questa – \$2,986, and Red River – \$37,621.**

Total Projected Economic Impact of Spending by Fliers Originating in Texas			
Community	Total Direct Spending	Induced/Indirect Impact of Direct Spending	Total Economic Impact of Direct Spending
Eagle Nest	\$ 4,405	\$ 1,762	\$ 6,167
Angel Fire	\$ 57,374	\$ 22,949	\$ 80,323
Red River	\$ 26,872	\$ 10,749	\$ 37,621
Questa	\$ 2,133	\$ 853	\$ 2,986
Taos	\$ 194,779	\$ 77,912	\$ 272,691
Taos Ski Valley	\$ 393,674	\$ 157,469	\$ 551,143
Total	\$ 679,236	\$ 271,695	\$ 950,931



*Note: Fliers are projected to spend an additional \$9,704 in non-study area New Mexico communities not reflected in the totals above.

² Source: Tourism Economics-Tourism Economics utilizes a standard input-output model to generate the percentage of indirect/induced impact as a result of tourism; each directly affected sector also purchases goods and services as inputs into production (indirect impacts). Induced impact is generated when employees whose incomes are generated either directly or indirectly by tourism, spend those incomes in the local economy.



Fiscal Impact

Fliers who pay for lodging in New Mexico are assessed gross receipts (GRT) and lodgers' taxes on the cost of their lodging.³ The fliers from the original study period spent an average of \$965 on lodging during their visit. Based on this number, the projected total taxable spending on lodging by fliers during the remainder of the winter season in the study area is \$238,033, resulting in a combined projected \$11,783 in lodgers' tax. Projected allocated lodgers' tax per community during the remainder of the winter season is: Taos – \$4,006, Taos Ski Valley – \$5,923, Angel Fire – \$1,168, Eagle Nest – \$87, Questa – \$0, and Red River – \$599.

Fliers from Texas are projected to generate a combined \$20,936 in GRT on lodging in the study area during the remainder of the winter season. Projected allocated GRT on lodging by community during the remainder of the winter season is: Taos – \$1,352, Taos Ski Valley – \$2,443, Angel Fire – \$482, Eagle Nest – \$53, Questa – \$19, and Red River – \$217. The total projected GRT on lodging allocated to Colfax County (Angel Fire, Eagle Nest) is \$153; projected total GRT on lodging allocated to Taos County (Taos, Taos Ski Valley, Questa, Red River) is \$3,177. The total projected GRT on lodging allocated to the State is \$12,199.

The total projected combined gross receipts and lodgers' tax on lodging paid by fliers from Texas during the remainder of the winter season in the study area is \$32,719.

Projected Lodging-Related Taxes (Lodgers' and Gross Receipts) Allocated by Taxing Municipality													
Community	Lodgers' Tax Rate*	Total Lodgers' Tax	Total Gross Receipts Tax (GRT) Rate*	Total GRT	Village/Town GRT Portion*	Village/Town GRT	County GRT Portion*	County GRT	State GRT Portion*	State GRT Portion	Misc. Additional** GRT Portion*	Misc. GRT	Total Lodging-Related Taxes
Eagle Nest (Colfax County)	3.0%	\$ 87	7.5208%	\$ 219	1.8125%	\$ 53	0.5833%	\$ 17	5.1250%	\$ 149	0.0000%	\$ -	\$ 306
Angel Fire (Colfax County)	5.0%	\$ 1,168	7.7708%	\$ 1,815	2.0625%	\$ 482	0.5833%	\$ 136	5.1250%	\$ 1,197	0.0000%	\$ -	\$ 2,982
Red River (Taos County)	5.0%	\$ 599	8.6250%	\$ 1,033	1.8125%	\$ 217	1.5000%	\$ 180	5.1250%	\$ 614	0.1875%	\$ 22	\$ 1,632
Questa (Taos County)	0.0%	\$ -	8.3750%	\$ 101	1.5625%	\$ 19	1.5000%	\$ 18	5.1250%	\$ 62	0.1875%	\$ 2	\$ 101
Taos (Taos County)	5.0%	\$ 4,006	8.5000%	\$ 6,810	1.6875%	\$ 1,352	1.5000%	\$ 1,202	5.1250%	\$ 4,106	0.1875%	\$ 150	\$ 10,815
Taos Ski Valley (Taos County)	5.0%	\$ 5,923	9.2500%	\$ 10,958	2.0625%	\$ 2,443	1.5000%	\$ 1,777	5.1250%	\$ 6,071	0.5625%	\$ 666	\$ 16,882
Total		\$ 11,783		\$ 20,936		\$ 4,566		\$ 3,330		\$ 12,199		\$ 841	\$ 32,719

*Sources: New Mexico Taxation & Revenue Department GRT Tax Rate Schedule [January 1 - June 30, 2019] and New Mexico Municipal League [https://nmml.org/directory]

**Special additional tax assessments assigned elsewhere (e.g. Hold Harmless)

³ GRT and Lodgers' Tax Rates Sources: New Mexico Taxation & Revenue Department GRT Tax Rate Schedule [January 1 - June 30, 2019] and New Mexico Municipal League [https://nmml.org/directory]



Fliers from Texas are projected to generate a combined \$39,321 in GRT on all other spending categories combined in the study area during the remainder of the winter season. Projected allocated GRT on all other spending by community during the remainder of the winter season is: Taos – \$1,935, Taos Ski Valley – \$5,676, Angel Fire – \$702, Eagle Nest – \$27, Questa – \$14, and Red River – \$270. The total projected GRT on all other spending allocated to Colfax County (Angel Fire, Eagle Nest) is \$207; projected total GRT on all other spending allocated to Taos County (Taos, Taos Ski Valley, Questa, Red River) is \$6,085. The total projected GRT on all other spending allocated to the State is \$22,612.

All Other Spending Projected Gross Receipts Tax Allocated by Taxing Municipality										
Community	Total Gross Receipts Tax (GRT) Rate*	Total All Other Spending-Related GRT	Village/Town GRT Portion*	Village/Town GRT	County GRT Portion*	County GRT	State GRT Portion*	State GRT Portion	Misc. Additional** GRT Portion*	Misc. GRT
Eagle Nest (Colfax County)	7.5208%	\$ 112	1.8125%	\$ 27	0.5833%	\$ 9	5.1250%	\$ 76	0.0000%	\$ -
Angel Fire (Colfax County)	7.7708%	\$ 2,644	2.0625%	\$ 702	0.5833%	\$ 198	5.1250%	\$ 1,744	0.0000%	\$ -
Red River (Taos County)	8.6250%	\$ 1,285	1.8125%	\$ 270	1.5000%	\$ 223	5.1250%	\$ 763	0.1875%	\$ 28
Questa (Taos County)	8.3750%	\$ 77	1.5625%	\$ 14	1.5000%	\$ 14	5.1250%	\$ 47	0.1875%	\$ 2
Taos (Taos County)	8.5000%	\$ 9,747	1.6875%	\$ 1,935	1.5000%	\$ 1,720	5.1250%	\$ 5,877	0.1875%	\$ 215
Taos Ski Valley (Taos County)	9.2500%	\$ 25,457	2.0625%	\$ 5,676	1.5000%	\$ 4,128	5.1250%	\$ 14,104	0.5625%	\$ 1,548
Total		\$ 39,321		\$ 8,624		\$ 6,292		\$ 22,612		\$ 1,793

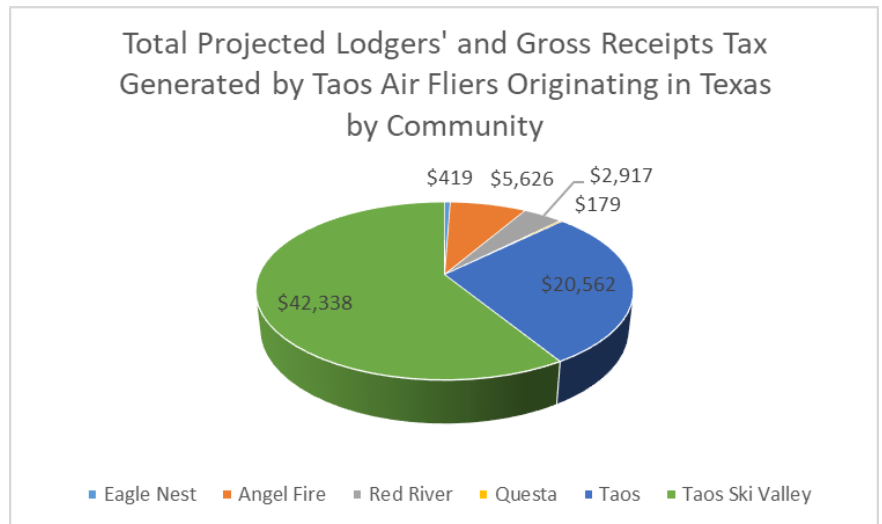
*Sources: New Mexico Taxation & Revenue Department GRT Tax Rate Schedule [January 1 - June 30, 2019] and New Mexico Municipal League [https://nmml.org/directory]

**Special additional tax assessments (e.g. Hold Harmless)

Note: Respondents spent and were taxed on an additional \$9,704 in non-study area New Mexico communities not reflected in the totals above.

The total projected gross receipts and lodgers' tax on lodging and all other spending categories combined by fliers from Texas in the study area during the remainder of the winter season is \$72,040. Projected allocated combined gross receipts and lodgers' tax on lodging and all other spending by community is: Taos – \$20,562, Taos Ski Valley – \$42,338, Angel Fire – \$5,626, Eagle Nest – \$419, Questa – \$179, and Red River – \$2,917.

Total Projected Lodgers' and Gross Receipts Tax Generated by Taos Air Fliers Originating in Texas by Community	
Community	Total Taxes
Eagle Nest	\$ 419
Angel Fire	\$ 5,626
Red River	\$ 2,917
Questa	\$ 179
Taos	\$ 20,562
Taos Ski Valley	\$ 42,338
Total	\$ 72,040



Note: Fliers are projected to spend and be taxed on an additional \$9,704 in non-study area New Mexico communities not reflected in the totals above.



The total projected combined gross receipts and lodgers' tax on lodging and all other spending allocated to Colfax County (Angel Fire, Eagle Nest) is \$360; projected total GRT on all other spending allocated to Taos County (Taos, Taos Ski Valley, Questa, Red River) is \$9,262. The total projected GRT on all spending combined allocated to the State is \$34,811.

Total Projected Gross Receipts Tax Generated by Taos Air Fliers Originating in Texas by County	
County	Total GRT
Colfax County	\$ 360
Taos County	\$ 9,262
Total	\$ 9,622